

From: "Kori Schneider" <korischneider@mcleodusa.net> on 04/06/2004 02:50:18 PM
Subject: Regulation BB - Community Reinvestment Act

Kori Schneider
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April 6, 2004

Communications Division
Public Information Room, Mailstop 1-5
Office of the Comptroller of the Currency
250 E St. SW,
Washington 20219

Docket No. R-1181
Jennifer J. Johnson
Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington DC 20551

Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th St NW
Washington DC 20429

Regulation Comments, Attention: No. 2004-04
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street NW
Washington DC 20552

Dear Officials of Federal Bank and Thrift Regulatory Agencies:

I am very concerned about the proposed changes to CRA. As a resident of a low and moderate income community, a banking customer, and a borrower, I am writing to urge you to rethink your proposed Community Reinvestment Act (CRA) regulation before it is finalized. I believe you should keep the small bank definition as it is at \$250 million in assets and I believe you need a stronger predatory lending standard. Wisconsin would be hard-hit by the proposed changes in requirements for small banks. Over 10% of our state's banks would be exempted from most CRA regulations if the changes are enacted.

I am also very concerned about the proposed standard regarding predatory loans. I am very aware of rip-off lenders who do what you call "asset-based lending" and try to force borrowers into foreclosure so they can take over their homes. However, there are many other ways that seemingly good banks take advantage of customers who don't understand the loan process. I think the regulators should use the CRA exams to penalize lenders who push high cost loans with high fees and those who get you into a

bad loan and then try to flip you into an even worse loan. I also oppose prepayment penalties that keep you from getting out of a bad loan, loans with balloon payments, and single premium credit insurance policies that cost a lot but don't really help the customer. Regulators should lower a bank's CRA rating when they include loan "features" like that.

I hope that instead of exempting the smaller banks from CRA regulations, you will pay more attention to the smaller banks. They would do more in lower income communities if the regulators would encourage them to support community development lending and investments in smaller communities. I'm asking you not to raise the asset threshold definition of a small bank.

I am familiar with the National Community Reinvestment Coalition, which has submitted more detailed comments than mine. I feel confident that they understand the complexities of CRA better than I do, and I support their comments.

Thank you very much for paying attention to my concerns.

Sincerely,
Kori A. Schneider